

**Agenda for a Regular Meeting of the  
Finance Committee of the Common Council of the City of Hudson**  
Monday, January 21, 2019  
6:30 p.m.  
Council Chambers of City Hall, 505 Third Street

1. Call to Order
2. Discussion and Possible Action on Minutes from January 7, 2019
3. Discussion and Possible Action on Claims from January 21, 2019
4. Discussion and Possible Action on Regular Operators Licenses
5. Discussion and Possible Action on the audit engagement agreement with CliftonLarsonAllen LLP for the 2018 audit and non-audit services for the year ending December 31, 2018.
6. Discussion and Possible Action on the purchase of a 2019 Ford F250 ¾ ton pickup truck for the Public Works Department in the amount of \$33,000.
7. Discussion and Possible Action on the purchase of a 2019 Ford F550 Class 5 Truck for the Public Works Department in the amount of \$43,000.
8. Approval of the LOE with Bolton & Menk for engineering services related to the St. Croix Meadows Development.
9. Approval of the LOE with Bolton & Menk for engineering services related to the Lee Property Development. (Summit Ridge, Mayer Road Reconstruction and Southpoint)
10. Items for Future Agendas
11. Adjournment

Rich O'Connor, Mayor

Posted in City Hall lobbies and emailed to Hudson Star 1-18-2019

Some agenda items may be taken up earlier in the meeting, or in a different order than listed. Upon reasonable notice, an interpreter or other auxiliary aids will be provided at the meeting to accommodate the needs of the public. Please contact the City Clerk at 715-386-4765, ext. 140.

Notice is hereby given that a majority of the Common Council of the City of Hudson, Wisconsin, may be present at the foregoing meeting. This may constitute a meeting of the Common Council pursuant to *State ex. Rel. Badke v. Greendale Village Board*, 174 Wis.2d 553, 494 N.W.2d 408 (1993), although the Council will not take any formal action at this meeting.

FINANCE COMMITTEE MEETING OF THE COMMON COUNCIL  
CITY OF HUDSON, WISCONSIN  
MONDAY, JANUARY 7, 2019

UNAPPROVED

Meeting called to order by Mayor O'Connor at 6:45 p.m.

PRESENT: Mayor Rich O'Connor. Alderpersons Bill Alms, Joyce Hall, and Randy Morrisette II.

ABSENT: None

OTHERS PRESENT: Cathy Munkittrick, Devin Willi, Paul Deziel, Jim Webber, Karen Duchow, Mike Mroz, Kip Peters, Jennifer Rogers, Scott St. Martin, and others.

MINUTES: MOTION by Hall, second by Alms, to approve the Regular Meeting Minutes of December 17, 2018. Ayes (4). MOTION CARRIED.

CLAIMS: MOTION by Morrisette, second by Alms, to recommend the payment of the following claims:

Fund		A/P Amounts	P/R Amounts	Totals
100	General	182,013.43	112,410.43	294,423.86
220	Stormwater MS-4	2,188.82		2,188.82
225	Impact Collection	19,750.78		19,750.78
235	Room Tax & Comm Subs	2,897.00		2,897.00
290	Police Donations	3,164.95		3,164.95
416	Tid 1-6	950.59		950.59
450	Police Drug Forfeiture	11,117.00		11,117.00
451	2017 & 2018 Cap Projects	66,457.34		66,457.34
452	2019 & 2020 Cap Projects	46,110.00		46,110.00
620	Parking	1,911.13	1,517.90	3,429.03
630	Ambulance	17,486.86	20,081.88	37,568.74
640	Storm Sewer	2,390.91	776.33	3,167.24
Totals		\$ 356,438.81	\$ 134,786.54	\$ 491,225.35

Morrisette noted that it was important that there are checks and balances in the Procurement Policy regarding purchases. He identified the vehicle leasing, car washes, and fuel purchases. Ayes (4). MOTION CARRIED.

OPERATOR'S LICENSES: MOTION by Hall, second by Alms to recommend approval of 2 Regular Operator License for the period of January 8, 2019, to June 30, 2020 to: Cody Cicha and Meghan Malaney, contingent on payment of any outstanding debt owed to the City and successful completion of the background check. Ayes (4). MOTION CARRIED.

2019 CAPITAL PROJECTS APPROPRIATION: MOTION by Morrisette, second by Hall to recommend appropriating funds for the 2019 Capital Project totaling \$2,365,040 and authorize the City Administrator to sign the Declaration of Official Intent. Ayes (4). MOTION CARRIED.

FINANCE COMMITTEE MEETING OF THE COMMON COUNCIL  
CITY OF HUDSON, WISCONSIN  
MONDAY, JANUARY 7, 2019

ITEMS FOR FUTURE AGENDAS: None

ADJOURNMENT: MOTION by Hall, second by Alms, to adjourn at 6:50 p.m. Ayes (4). MOTION CARRIED.

Brenda L Malinowski  
Finance Director

# COUNCIL CLAIMS - January 21, 2019

<b>Fund</b>		<b>A/P Amounts</b>	<b>P/R Amounts</b>	<b>Totals</b>
100	General	153,602.13	100,211.19	253,813.32
310	Debt Services	2,500.00		2,500.00
415	Tid 1-5	500,000.00		500,000.00
416	Tid 1-6	58.83		58.83
450	Capital Projects	4,173.01		4,173.01
451	2017 & 2018 Cap Projects	264,666.80		264,666.80
452	2019 & 2020 Cap Projects	80,217.46		80,217.46
620	Parking	180.81	1,269.21	1,450.02
630	Ambulance	14,399.92	21,802.57	36,202.49
640	Storm Sewer	278.55	60.45	339.00
860	Tax Agency	4,516,487.10		4,516,487.10
	<b>Totals</b>	<b>\$ 5,536,564.61</b>	<b>\$ 123,343.42</b>	<b>\$ 5,659,908.03</b>



SUBMITTED TO: Finance/Common Council

DATE: January 21, 2019

SUBMITTED BY: Karen Duchow, Deputy Clerk

REGARDING: Application(s) for Operator's Licenses

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**ISSUE:**

Applications for Operator's Licenses are on file at the City Clerk's office and are available for inspection upon request. If approved by Council, the licenses will be issued contingent upon successful completion of a background check and payment of any outstanding debt owed to the City.

**STAFF RECOMMENDATION:**

Approve the issuance of 3 Regular Operator Licenses for the period of January 22, 2019 to June 30, 2020 to:  
Ian Baribeau, Matthew Hoerning and Briana Zontelli.



505 Third Street  
Hudson, Wisconsin 54016  
ph: (715)-386-4765 fx: (715)386-3385  
www.ci.hudson.wi.us

**TO:** Finance Committee/City Council

**FROM:** Brenda Malinowski, Finance Director

**DATE:** January 9, 2019

**SUBJECT:** 2018 Audit Services

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**BACKGROUND:**

CliftonLarsonAllen LLP(CLA) has submitted an engagement letter to perform the financial audit for the year ended December 31, 2018. In addition, they will prepare the following:

- Annual Financial Report for the Wisconsin Department of Revenue
- Annual Water Report for Wisconsin Public Services Commission

They are proposing fixed fee arrangement of \$32,800 for the 2018. The costs for the previous three audits have been as follows:

Year	Cost
2017	\$32,750
2016	\$32,750
2015	\$32,000

**STAFF RECOMMENDATION:**

Approve the audit engagement letter with CliftonLarsonAllen LLP.

**ACTION REQUESTED:**

Approve the audit engagement letter with CliftonLarsonAllen LLP.



CliftonLarsonAllen LLP  
CLAconnect.com

December 10, 2018

City Council and Management  
City of Hudson  
Hudson, Wisconsin

We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the audit and nonaudit services CliftonLarsonAllen LLP (CLA) will provide for the City of Hudson ("you," "your," or "the entity") for the year ended December 31, 2018.

April Anderson is responsible for the performance of the audit engagement.

#### **Audit services**

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the City of Hudson, as of and for the year ended December 31, 2018, and the related notes to the financial statements.

The Governmental Accounting Standards Board (GASB) provides for certain required supplementary information (RSI) to accompany the entity's basic financial statements. The RSI will be subjected to certain limited procedures, but will not be audited.

We will also evaluate and report on the presentation of the supplementary information other than RSI accompanying the financial statements in relation to the financial statements as a whole.

#### **Compilation and preparation services**

We will prepare the following:

- The Financial Report Form (FRF) of the City of Hudson as of and for the year ended December 31, 2018, to be included in the form prescribed by the Wisconsin Department of Revenue and perform a compilation engagement with respect to the prescribed form.
- The Public Service Commission (PSC) Report of the City of Hudson as of and for the year ended December 31, 2018, to be included in the form prescribed by the Wisconsin Public Service Commission and perform a compilation engagement with respect to the prescribed form.

### **Nonaudit services**

We will also provide the following nonaudit services:

- Preparation of a trial balance.
- Preparation of your financial statements and related notes.
- Preparation of depreciation schedules.
- Preparation of adjusting journal entries.

### **Audit objective**

The objective of our audit is the expression of opinions about whether your basic financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. We will apply certain limited procedures to the RSI in accordance with U.S. GAAS. However, we will not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. We will also perform procedures to enable us to express an opinion on whether the supplementary information other than RSI accompanying the financial statements is fairly stated, in all material respects, in relation to the financial statements as a whole.

We will issue a written report upon completion of our audit of your financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgment prevent us from completing the audit or forming opinions on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express opinions or issue a report, or withdrawing from the engagement.

### **Auditor responsibilities, procedures, and limitations**

We will conduct our audit in accordance with U.S. GAAS. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error. An audit involves performing procedures to obtain sufficient appropriate audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.



There is an unavoidable risk, because of the inherent limitations of an audit, together with the inherent limitations of internal control, that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS. Because we will not perform a detailed examination of all transactions, material misstatements, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity, may not be detected.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management and those charged with governance of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management and those charged with governance of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, we will communicate to you in writing significant deficiencies or material weaknesses in internal control relevant to the audit of the basic financial statements that we identify during the audit.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

### **Management responsibilities**

Our audit will be conducted on the basis that you (management and, when appropriate, those charged with governance) acknowledge and understand that you have certain responsibilities that are fundamental to the conduct of an audit.

You are responsible for the preparation and fair presentation of the financial statements and RSI in accordance with U.S. GAAP. Management's responsibilities include the selection and application of accounting principles; recording and reflecting all transactions in the financial statements; determining the reasonableness of significant accounting estimates included in the financial statements; adjusting the financial statements to correct material misstatements; and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. You are responsible for the design, implementation, and maintenance of internal controls to prevent and detect fraud; assessing the risk that the financial statements may be materially misstated as a result of fraud; and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud

could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations, and informing us of all instances of identified or suspected noncompliance whose effects on the financial statements should be considered.

You are responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters, and for the accuracy and completeness of that information; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence. You agree to inform us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements.

Management is responsible for the preparation of the supplementary information in accordance with U.S. GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. You agree to provide us written representations related to the presentation of the supplementary information.

Management is responsible for providing us with a written confirmation concerning representations made by you and your staff to us in connection with the audit and the presentation of the basic financial statements and RSI. During our engagement, we will request information and explanations from you regarding, among other matters, the entity's activities, internal control, future plans, specific transactions, and accounting systems and procedures. The procedures we will perform during our engagement and the conclusions we reach as a basis for our report will be heavily influenced by the representations that we receive in the representation letter and otherwise from you. Accordingly, inaccurate, incomplete, or false representations could cause us to expend unnecessary effort or could cause a material fraud or error to go undetected by our procedures. In view of the foregoing, you agree that we shall not be responsible for any misstatements in the entity's financial statements that we may fail to detect as a result of misrepresentations made to us by you.

## **Compilation and preparation services**

### ***Engagement objectives***

The objectives of our engagement are to:

- a. Prepare the FRF and PSC Report in accordance with the requirements prescribed by the Wisconsin Department of Revenue and the Wisconsin Public Service Commission based on information provided by you.
- b. Apply accounting and financial reporting expertise to assist you in the presentation of the prescribed forms without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the prescribed forms in order for them to be in accordance with the requirements prescribed by the Wisconsin Department of Revenue and the Wisconsin Public Service Commission.

### ***Our responsibilities***

We will conduct our compilation engagement in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants (AICPA) and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

### ***Engagement procedures and limitations***

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion, a conclusion, nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations. We have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement. You agree that we shall not be responsible for any misstatements in the entity's prescribed forms that we may not identify as a result of misrepresentations made to us by you.

### ***Our report***

As part of our engagement, we will issue a report that will state that we did not audit or review the prescribed forms and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them.

There may be circumstances in which the report may differ from its expected form and content. If, for any reason, we are unable to complete the compilation of the prescribed forms, we will not issue a report on such forms as a result of this engagement.

### ***Management responsibilities***

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare the prescribed forms in accordance with the requirements prescribed by the Wisconsin Department of Revenue and the Wisconsin Public Service Commission and assist management in the presentation of the prescribed forms in accordance with the requirements prescribed by the Wisconsin Department of Revenue and Wisconsin Public Service Commission. Management has the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARs:

- a. The selection of the financial reporting framework to be applied in the preparation of the prescribed forms.
- b. The preparation and fair presentation of the prescribed forms in accordance with the requirements prescribed by the Wisconsin Department of Revenue and Wisconsin Public Service Commission.
- c. The inclusion of all informative disclosures required to be included in the form prescribed by the Wisconsin Department of Revenue and Wisconsin Public Service Commission.
- d. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the prescribed forms that are free from material misstatement, whether due to fraud or error.

- e. The prevention and detection of fraud.
- f. To ensure that the entity complies with the laws and regulations applicable to its activities.
- g. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
- h. To provide us with the following:
  - i. Access to all information relevant to the preparation and fair presentation of the prescribed forms, such as records, documentation, and other matters.
  - ii. Additional information that may be requested for the purpose of the engagement.
  - iii. Unrestricted access to persons within the entity with whom we determine it necessary to communicate.

#### **Responsibilities and limitations related to nonaudit services**

For all nonaudit services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

The responsibilities and limitations related to the nonaudit services performed as part of this engagement are as follows:

- We will prepare a trial balance for use during the audit. Our preparation of the trial balance is limited to formatting information into a working trial balance based on management's chart of accounts or general ledger. You will be required to review, approve, and accept responsibility for the trial balance.
- We will prepare a draft of your financial statements and related notes. Since the preparation and fair presentation of the financial statements is your responsibility, you will be required to review, approve, and accept responsibility for those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements.
- We will prepare the depreciation schedules for the entity for the year ended December 31, 2018. Management is responsible for determining the method and rate of depreciation and the salvage value of the assets.
- We will propose adjusting journal entries as needed. You will be required to review and approve those entries and to understand the nature of the changes and their impact on the financial statements.

#### **Use of financial statements**

The financial statements and our report thereon are for management's use. If you intend to reproduce and publish the financial statements and our report thereon, they must be reproduced in their entirety. Inclusion of

the audited financial statements in a document, such as an annual report or an offering document, should be done only with our prior approval of the document. You are responsible to provide us the opportunity to review such documents before issuance.

If we agree that CLA will not be involved with your official statements related to municipal securities filings or other offering documents, we will require that any official statements or other offering documents issued by you with which we are not involved clearly indicate that CLA is not involved with the contents of such documents. Such disclosure should read as follows:

CliftonLarsonAllen LLP, our independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this offering document.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website or submitted on a regulator website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

#### **Engagement administration and other matters**

We expect to begin our audit on a mutually agreed upon date.

We understand that your employees will prepare all confirmations, account analyses, and audit schedules we request and will locate any documents or invoices selected by us for testing. A list of information we expect to need for our audit and the dates required will be provided in a separate communication.

We are available to perform additional procedures with regard to fraud detection and prevention, at your request, as a separate engagement, subject to completion of our normal engagement acceptance procedures. The terms and fees of such an engagement would be documented in a separate engagement letter.

The workpapers supporting the services we perform are the sole and exclusive property of CLA and constitute confidential and proprietary information. We do not provide access to our workpapers to you or anyone else in the normal course of business. Unless required by law or regulation to the contrary, we retain our workpapers in accordance with our record retention policy that typically provides for a retention period of seven years.

Except as permitted by the "Consent" section of this agreement, CLA will not disclose any confidential, proprietary, or privileged information of the entity to any persons without the authorization of entity management or unless required by law. This confidentiality provision does not prohibit us from disclosing your information to one or more of our affiliated companies in order to provide services that you have requested from us or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of your information as apply to us.

Professional standards require us to be independent with respect to you in the performance of these services. Any discussion that you have with our personnel regarding potential employment with you could impair our independence with respect to this engagement. Therefore, we request that you inform us prior to any such discussions so that we can implement appropriate safeguards to maintain our independence and objectivity. Further, any employment offers to any staff members working on this engagement without our prior knowledge may require substantial additional procedures to ensure our independence. You will be responsible for any additional costs incurred to perform these procedures.

Our relationship with you is limited to that described in this letter. As such, you understand and agree that we are acting solely as independent accountants. We are not acting in any way as a fiduciary or assuming any fiduciary responsibilities for you. We are not responsible for the preparation of any report to any governmental agency, or any other form, return, or report or for providing advice or any other service not specifically recited in this letter.

Our engagement and responsibility end on delivery of our signed report. Any additional services that might be requested will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

### **Mediation**

Any disagreement, controversy, or claim ("Dispute") that may arise out of any aspect of our services or relationship with you, including this engagement, shall be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator.

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

Any Dispute will be governed by the laws of the state of Minnesota, without giving effect to choice of law principles.

### **Time limitation**

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute that may arise between the parties. The parties agree that, notwithstanding any statute or law of limitations that might otherwise apply to a Dispute, including one arising out of this agreement or the services performed under this agreement, for breach of contract or fiduciary duty, tort, fraud, misrepresentation or any other cause of action or remedy, any action or legal proceeding by you against us must be commenced within twenty-four (24) months ("Limitation Period") after the date when we deliver our final audit report under this agreement to you, regardless of whether we do other services for you relating to the audit report, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery.

The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

### **Fees**

Our fees for these services will be based on the time involved and the degree of responsibility and skills required, plus expenses including internal and administrative charges. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

### ***Changes in accounting and audit standards***

Standard setters and regulators continue to evaluate and modify standards. Such changes may result in new or revised financial reporting and disclosure requirements or expand the nature, timing, and scope of the activities we are required to perform. To the extent that the amount of time required to provide the services described in the letter increases due to such changes, our fee may need to be adjusted. We will discuss such circumstances with you prior to performing the additional work.

### ***Other fees***

You also agree to compensate us for any time and expenses, including time and expenses of legal counsel, we may incur in responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings that we are asked to respond to on your behalf.

### ***Finance charges and collection expenses***

You agree that if any statement is not paid within 30 days from its billing date, the unpaid balance shall accrue interest at the monthly rate of one and one-quarter percent (1.25%), which is an annual percentage rate of 15%. In the event that any collection action is required to collect unpaid balances due us, reasonable attorney fees and expenses shall be recoverable.

### **Consent**

#### ***Consent to use financial information***

Annually, we assemble a variety of benchmarking analyses using client data obtained through our audit and other engagements. Some of this benchmarking information is published and released publicly. However, the information that we obtain is confidential, as required by the AICPA Code of Professional Conduct. Your acceptance of this engagement letter will serve as your consent to use of the City of Hudson's information in these cost comparison, performance indicator, and/or benchmarking reports.

### ***Subcontractors***

CLA may, at times, use subcontractors to perform services under this agreement, and they may have access to your information and records. Any such subcontractors will be subject to the same restrictions on the use of such information and records as apply to CLA under this agreement.

### Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and CLA. If you have any questions, please let us know. Please sign, date, and return the enclosed copy of this letter to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our audit of your financial statements including the terms of our engagement and the parties' respective responsibilities.

Sincerely,

**CliftonLarsonAllen LLP**



April L. Anderson, CPA  
Principal  
715-852-1167  
april.anderson@CLAconnect.com

Enclosure

### Response:

This letter correctly sets forth the understanding of the City of Hudson.

Authorized governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Authorized management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





Michael Mroz  
Public Works & Parks Director  
505 Third Street  
Hudson, Wisconsin 54016  
ph: 715-716-5746 5 fx: (715)386-3385

**TO:** Common Council

**FROM:** Michael Mroz; Public Works Director

**DATE:** January 16, 2019

**SUBJECT:** Discussion and possible action on the purchase of a 2019 ¾ ton pickup truck

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**BACKGROUND:**

The following bids were received for the purchase of one 3/4 ton pickup truck per the city procurement policy:

VENDOR	TOTAL TRUCK COST
Hudson Ford	\$33,000.00
WI State Bid FORD	\$49,769.00
WI State Bid DODGE	\$39,519.00

**FUNDING SOURCE:** 2019 Capital Improvement Fund - \$50,000. Note the utility box will be purchased and installed separately with remaining funds.

**RECOMMENDED ACTION:** Recommendation to proceed with the purchase of the 2019 Ford F250 from Hudson Ford in the amount of \$33,000.00.



Michael Mroz  
Public Works & Parks Director  
505 Third Street  
Hudson, Wisconsin 54016  
ph: 715-716-5746 5 fx: (715)386-3385

**TO:** Common Council

**FROM:** Michael Mroz; Public Works Director

**DATE:** January 16, 2019

**SUBJECT:** Discussion and possible action on the purchase of a 2019 Class 5 Truck

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**BACKGROUND:**

The following bids were received for the purchase of one class 5 truck per the city procurement policy:

VENDOR	TOTAL TRUCK COST
Hudson Ford	\$43,000.00
WI State Bid FORD	\$45,183.00
WI State Bid CHEV	\$44,488.00
WI State Bid DODGE	\$49,026.00

**FUNDING SOURCE:** 2019 Capital Improvement Fund - \$50,000. Note the utility box will be purchased and installed separately with designated funds in the 2019 CIP.

**RECOMMENDED ACTION:** Recommendation to proceed with the purchase of the 2019 Ford F550 from Hudson Ford in the amount of \$43,000.00.



Michael Mroz  
Public Works & Parks Director  
505 Third Street  
Hudson, Wisconsin 54016  
ph: 715-716-5746 5 fx: (715)386-3385

**TO:** Common Council

**FROM:** Michael Mroz; Public Works Director

**DATE:** January 16, 2019

**SUBJECT:** Discussion and possible action on the LOE with Bolton & Menk for engineering services related to the St Croix Development

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**BACKGROUND:**

Engineering costs associated with the construction portion of the St. Croix Meadows project are estimated at 1,300 hours. All costs will be billed back to the Developer for repayment.

Attached is the LOE for engineering services for the St Croix Development. The estimated engineering is \$140,000.00.

**FUNDING SOURCE:** Expenses to be paid by the Developer per the Developer's Agreement.

**RECOMMENDED ACTION:** Approve the Bolton and Menk LOE for engineering services associated with the St Croix Meadows Development.

**CITY OF HUDSON  
LETTER OF ENGAGEMENT**

Project Name: St. Croix Meadows Development

Project Number: \_\_\_\_\_

This Letter of Engagement is entered into this \_\_\_\_ day of \_\_\_\_\_, 2019, by and between the City of Hudson, 505 Third Street, Hudson, WI, 54016 (hereinafter the "City") and

Bolton & Menk, Inc.

Name of Consultant

2035 County Road D East, Maplewood, MN 55109

Address of Consultant

(Hereinafter the "Consultant").

**RECITALS**

WHEREAS, the City and the Consultant entered into an Engineering Master Consulting Agreement on the 24th day of November, 2014; and

WHEREAS, the Master Consulting Agreement provides that the City would engage the Consultant from time to time to assist in providing engineering services for projects and studies designated by the City and as described through separate Letters of Engagement attached as Exhibits to the Master Consulting Agreement; and

WHEREAS, The City wishes to retain the services of an engineering consultant to assist with the following described project:

St. Croix Meadows Development

(hereinafter the "Project"); and

WHEREAS, this Letter of Engagement outlines the services to be performed by the Consultant; the approved cost of the Project; and the Project schedule.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and intending to be legally bound hereby, the City and the Consultant hereby agree as follows:

**Article 1. Services to be performed by the Consultant**

The City hereby retains Consultant for the purposes of advising and consulting the City for the services described in Exhibit One attached hereto and made a part hereof.

**Article 2. Schedule of Performance**

The Consultant shall perform the services for the Project on the basis of the schedule attached hereto as Exhibit One and made a part hereof by reference. The schedule may be adjusted by mutual consent as the services proceed. The term limits established by the schedule and approved by the City shall not be exceeded by the Consultant or the City, except for reasonable cause agreed to by the City.

**Article 3. Consultant's Compensation**

The City shall pay the Consultant for services furnished and the Consultant shall accept as full payment the sums described on Exhibit One as Fees Hourly NTE (NTE meaning Not to Exceed). Payment to the Consultant for fees described on Exhibit One as "hourly estimated" shall be based on actual hours Consultant worked on the specified task. Exhibit One is attached hereto and incorporated herein by reference.

IN WITNESS THEREOF, the parties hereto have executed this Engagement letter as of the date first written above.

IN WITNESS WHEREOF, the parties hereto set their hands and seals dated this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

Bolton & Menk, Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

City of Hudson, Wisconsin

By: \_\_\_\_\_  
Devin Willi, City Administrator

By: \_\_\_\_\_  
Rich O'Connor, Mayor

Attest: \_\_\_\_\_  
Jennifer Rogers, City Clerk

## EXHIBIT 1

### St. Croix Meadows Development

Construction improvements consist of installing streets and utilities to serve the development.

#### Services to be performed:

##### Plan Phase:

- By others

##### Construction Phase:

- Provide construction observation

#### Schedule of Performance:

- Construction.....November 2018 to September 2018

#### Compensation:

1. Plan Phase:	\$0.00
2. Construction Phase: 1,300 hours, hourly estimated	<u>\$140,400.00</u>
<b>Total Estimated Engineering Cost:</b>	<b>\$140,400.00</b>

Without a detailed schedule from the Contractor, the above hours are based on an assumed 6-months (26 weeks) of construction spread out over this winter and next summer and 50 hours of observation per week.



Michael Mroz  
Public Works & Parks Director  
505 Third Street  
Hudson, Wisconsin 54016  
ph: 715-716-5746 5 fx: (715)386-3385

**TO:** Common Council

**FROM:** Michael Mroz; Public Works Director

**DATE:** January 16, 2019

**SUBJECT:** Discussion and possible action on the LOE 's with Bolton & Menk for engineering services related to the Lee Property Development

1. Summitt Ridge
2. Mayer Road Construction
3. Southpoint

---

**BACKGROUND:**

**SUMMITT RIDGE**

Inspection costs for the infrastructure installation at Summitt Ridge are estimated at 550 hours. All costs will be billed back to the Developer for repayment.

Attached is the LOE for engineering services for Summitt Ridge, Lee Property. The estimated engineering is \$60,500.00.

**MAYER ROAD RECONSTRUCTION**

Inspection costs for the infrastructure construction of Mayer Road are estimated at 550 hours. All costs will be billed back to the Developer for repayment.

Attached is the LOE for engineering services for Mayer Road Reconstruction, Lee Property. The estimated engineering is \$38,500.00.

**SOUTHPOINT**

Inspection costs for the infrastructure installation at Southpoint are estimated at 550 hours. All costs will be billed back to the Developer for repayment.

Attached is the LOE for engineering services for Southpoint, Lee Property. The estimated engineering is \$66,000.00.

**FUNDING SOURCE:** Expenses to be paid by the Developer per the Developer's Agreement.

**RECOMMENDED ACTION:** Approve the Bolton and Menk LOE's for engineering services associated with the Lee Property Development.

**CITY OF HUDSON  
LETTER OF ENGAGEMENT**

Project Name: Summit Ridge

Project Number: \_\_\_\_\_

This Letter of Engagement is entered into this \_\_\_\_ day of \_\_\_\_\_, 2019, by and between the City of Hudson, 505 Third Street, Hudson, WI, 54016 (hereinafter the "City") and

Bolton & Menk, Inc.

\_\_\_\_\_  
Name of Consultant

2035 County Road D East, Maplewood, MN 55109

\_\_\_\_\_  
Address of Consultant

(Hereinafter the "Consultant").

**RECITALS**

WHEREAS, the City and the Consultant entered into an Engineering Master Consulting Agreement on the 24th day of November, 2014; and

WHEREAS, the Master Consulting Agreement provides that the City would engage the Consultant from time to time to assist in providing engineering services for projects and studies designated by the City and as described through separate Letters of Engagement attached as Exhibits to the Master Consulting Agreement; and

WHEREAS, The City wishes to retain the services of an engineering consultant to assist with the following described project:

Summit Ridge

(hereinafter the "Project"); and

WHEREAS, this Letter of Engagement outlines the services to be performed by the Consultant; the approved cost of the Project; and the Project schedule.



NOW, THEREFORE, in consideration of the mutual agreements herein contained and intending to be legally bound hereby, the City and the Consultant hereby agree as follows:

**Article 1. Services to be performed by the Consultant**

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**Article 2. Schedule of Performance**

The Consultant shall perform the services for the Project on the basis of the schedule attached hereto as Exhibit One and made a part hereof by reference. The schedule may be adjusted by mutual consent as the services proceed. The term limits established by the schedule and approved by the City shall not be exceeded by the Consultant or the City, except for reasonable cause agreed to by the City.

**Article 3. Consultant's Compensation**

The City shall pay the Consultant for services furnished and the Consultant shall accept as full payment the sums described on Exhibit One as Fees Hourly NTE (NTE meaning Not to Exceed). Payment to the Consultant for fees described on Exhibit One as "hourly estimated" shall be based on actual hours Consultant worked on the specified task. Exhibit One is attached hereto and incorporated herein by reference.

IN WITNESS THEREOF, the parties hereto have executed this Engagement letter as of the date first written above.

IN WITNESS WHEREOF, the parties hereto set their hands and seals dated this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

Bolton & Menk, Inc.

By: \_\_\_\_\_

Name: Michael S. Nill, P.E.

Title: Principal Engineer

City of Hudson, Wisconsin

By: \_\_\_\_\_  
Devin Willi, City Administrator

By: \_\_\_\_\_  
Rich O'Connor, Mayor

Attest: \_\_\_\_\_  
Jennifer Rogers, City Clerk

**EXHIBIT 1**  
**Summit Ridge**

Construction improvements consist of utility and street improvements within the proposed development.

**Services to be performed:**

**Plan Phase:**

- By others

**Construction Phase:**

- Provide construction observation

**Schedule of Performance:**

- Construction.....April 2019 to June 2019

**Compensation:**

1. Plan Phase:	\$0.00
2. Construction Phase: 550 hours, hourly estimated	<u>\$60,500.00</u>
<b>Total Estimated Engineering Cost:</b>	<b>\$60,500.00</b>

The above hours are based on 50 hours per week and a 11-week construction schedule, as provided by Contractor.

**CITY OF HUDSON  
LETTER OF ENGAGEMENT**

Project Name: Mayer Road Reconstruction

Project Number: \_\_\_\_\_

This Letter of Engagement is entered into this \_\_\_\_ day of \_\_\_\_\_, 2019, by and between the City of Hudson, 505 Third Street, Hudson, WI, 54016 (hereinafter the "City") and

Bolton & Menk, Inc.

Name of Consultant

2035 County Road D East, Maplewood, MN 55109

Address of Consultant

(Hereinafter the "Consultant").

**RECITALS**

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WHEREAS, the Master Consulting Agreement provides that the City would engage the Consultant from time to time to assist in providing engineering services for projects and studies designated by the City and as described through separate Letters of Engagement attached as Exhibits to the Master Consulting Agreement; and

WHEREAS, The City wishes to retain the services of an engineering consultant to assist with the following described project:

Mayer Road Reconstruction

(hereinafter the "Project"); and

WHEREAS, this Letter of Engagement outlines the services to be performed by the Consultant; the approved cost of the Project; and the Project schedule.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and intending to be legally bound hereby, the City and the Consultant hereby agree as follows:

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Bolton & Menk, Inc.

By: \_\_\_\_\_

Name: Michael S. Nill, P.E.

Title: Principal Engineer

City of Hudson, Wisconsin

By: \_\_\_\_\_  
Devin Willi, City Administrator

By: \_\_\_\_\_  
Rich O'Connor, Mayor

Attest: \_\_\_\_\_  
Jennifer Rogers, City Clerk

## EXHIBIT 1

### Mayer Road Reconstruction

Construction improvements consist of reconstructing Mayer Road to serve new adjacent developments.

#### Services to be performed:

##### Plan Phase:

- By others

##### Construction Phase:

- Provide construction observation

#### Schedule of Performance:

- Construction.....May 2019 to June 2019

#### Compensation:

1. Plan Phase:	\$0.00
2. Construction Phase: 350 hours, hourly estimated	<u>\$38,500.00</u>
<b>Total Estimated Engineering Cost:</b>	<b>\$38,500.00</b>

The above hours are based on 50 hours per week and a 7-week construction schedule, as provided by Contractor.

**CITY OF HUDSON  
LETTER OF ENGAGEMENT**

Project Name: Southpoint

Project Number: \_\_\_\_\_

This Letter of Engagement is entered into this \_\_\_\_ day of \_\_\_\_\_, 2019, by and between the City of Hudson, 505 Third Street, Hudson, WI, 54016 (hereinafter the "City") and

Bolton & Menk, Inc.

Name of Consultant

2035 County Road D East, Maplewood, MN 55109

Address of Consultant

(Hereinafter the "Consultant").

**RECITALS**

WHEREAS, the City and the Consultant entered into an Engineering Master Consulting Agreement on the 24th day of November, 2014; and

WHEREAS, the Master Consulting Agreement provides that the City would engage the Consultant from time to time to assist in providing engineering services for projects and studies designated by the City and as described through separate Letters of Engagement attached as Exhibits to the Master Consulting Agreement; and

WHEREAS, The City wishes to retain the services of an engineering consultant to assist with the following described project:

Southpoint

(hereinafter the "Project"); and

WHEREAS, this Letter of Engagement outlines the services to be performed by the Consultant; the approved cost of the Project; and the Project schedule.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and intending to be legally bound hereby, the City and the Consultant hereby agree as follows:

**Article 1. Services to be performed by the Consultant**

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IN WITNESS WHEREOF, the parties hereto set their hands and seals dated this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

Bolton & Menk, Inc.

By: \_\_\_\_\_

Name: Michael S. Nill, P.E.

Title: Principal Engineer

City of Hudson, Wisconsin

By: \_\_\_\_\_  
Devin Willi, City Administrator

By: \_\_\_\_\_  
Rich O'Connor, Mayor

Attest: \_\_\_\_\_  
Jennifer Rogers, City Clerk

**EXHIBIT 1**  
**Southpoint**

Construction improvements consist of utility and street improvements within the proposed development.

**Services to be performed:**

**Plan Phase:**

- By others

**Construction Phase:**

- Provide construction observation

**Schedule of Performance:**

- Construction.....November 2018 to May 2019

**Compensation:**

1. Plan Phase:	\$0.00
2. Construction Phase: 600 hours, hourly estimated	<u>\$66,000.00</u>
<b>Total Estimated Engineering Cost:</b>	<b>\$66,000.00</b>

The above hours are based on 50 hours per week and a 12-week construction schedule, as provided by Contractor.